



POWER
RESOURCES LIMITED
ABN 69 125 345 502

16 July 2008

Dear Shareholder

Non-renounceable Entitlement Issue of Options

On 16 July 2008, Power Resources Limited (Company) lodged a Short Form Prospectus (Prospectus) with the ASX Limited (ASX), and on the 16 July 2008 with the Australian Securities & Investments Commission (ASIC) for a pro-rata non-renounceable rights issue. The non-renounceable entitlement issue of options is one (1) loyalty option exercisable at 20 cents on or before 31 October 2001 (Option) for every two (2) shares held by Shareholders registered at 5.00pm (WST) on Friday 25 July 2008 (Record Date) at an issue price of 1 cent per option to raise up to \$148,750 (Entitlement Issue).

It is important to note that the record date is the date that you are a registered shareholder NOT the last date to acquire shares, it may take up to 3 days from the date of purchase of shares to be registered as a shareholder.

Shareholder approval is not required in relation to the Entitlement Issue.

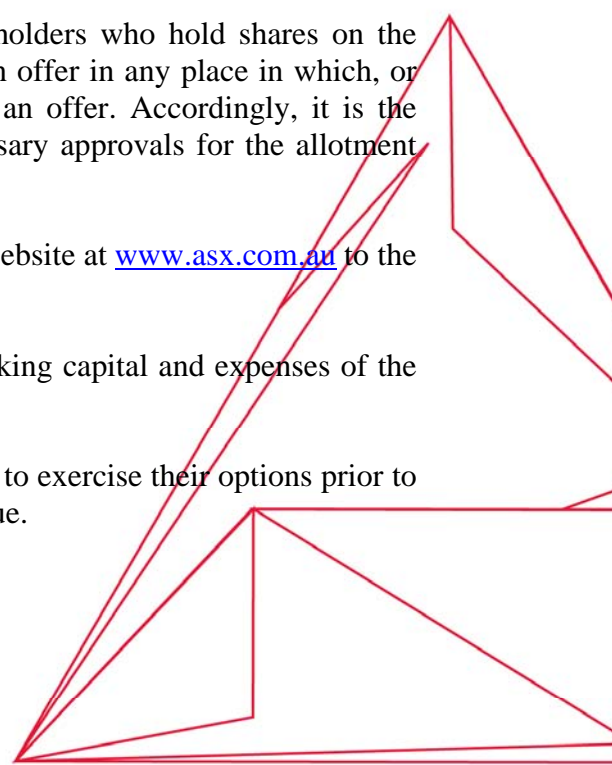
A full copy of the Prospectus will be mailed to all Shareholders who hold shares on the Record Date. However, the Prospectus will not constitute an offer in any place in which, or to any person whom, it would be unlawful to make such an offer. Accordingly, it is the responsibility of non-resident applicants to obtain all necessary approvals for the allotment and issue to them of Options pursuant to the Prospectus.

This prospectus is available in electronic form on the ASX website at www.asx.com.au to the Company's website at www.powerresources.com.au.

It is intended that the proceeds will be applied towards working capital and expenses of the issue.

Holders of Existing Options already on issue will be entitled to exercise their options prior to the Record Date in order to participate in the Entitlement Issue.

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The indicative timetable for the issue is as follows:

EVENT	DATE
Prospectus lodged with ASIC and ASX	16 July 2008
'Ex' Date	21 July 2008
Record Date for determining entitlements	25 July 2008
Opening Date	31 July 2008
Dispatch Prospectus	31 July 2008
Closing Date *	15 August 2008
Deferred settlement trading commences	18 August 2008
Issue of options and dispatch of holding statements	22 August 2008

If you have any questions please do not hesitate to contact the undersigned on (08) 9315 9200 or the share registry Security Transfer Registrars Pty Ltd on (08) 9315 2333.

Yours faithfully

Vincent Hyde
Company Secretary

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